



Michael Preston  
SECRETARY OF COMMERCE

Alan McClain  
COMMISSIONER,  
ARKANSAS INSURANCE  
DEPARTMENT

January 18, 2022

*Delivered by First Class Mail and Certified Mail, Parcel No. 7021 0350 00010367 7202*

James Babb  
97 Sealy Street  
Arkadelphia AR 71923

### NOTICE OF HEARING

Dear Mr. Babb:

You are hereby notified that an administrative hearing has been scheduled pursuant to Ark. Code Ann. §§ 23-61-303 and 23-64-216(e), and other applicable provisions of Arkansas law, before Insurance Commissioner Alan McClain, as Hearing Officer, or his designee, on February 10, 2022, at 10:00 AM in the 2<sup>nd</sup> Floor Diamond Mine Hearing Room, Arkansas Insurance Department ("Department"), 1 Commerce Way, Little Rock, Arkansas, 72202. The purpose of this hearing is to hear the allegations in this notice and decide if your producer license should be revoked or suspended. You are alleged to have violated the following requirements:

1. You failed to prepare or submit annuity replacement forms in connection with the surrender of existing policies and purchase of new policies. Arkansas Insurance Department Rule 97(B) requires producers to present and read to an annuity applicant a notice as described in Rule 97 Appendix A regarding the replacement of an existing annuity with a new annuity. Specifically, in 2018, you failed to present to the applicants or deliver to the insurer written notice regarding the replacement of several Midland annuities belonging to Dr. and Mrs. Joe Cloud with Athene annuities. Your actions are a violation of AID Rule 97 and Ark Code Ann.

§ 23-66-307(b)(1).

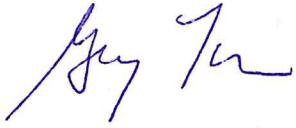
2. You have forged another's name to an application for insurance or to any document related to an insurance transaction. Specifically, in 2018, you forged the signatures and electronic signatures of Dr. and Mrs. Joe Cloud to several documents in conjunction with the sale of Athene annuities. Your actions are a violation of Ark Code Ann. § 23-64-512(a)(10).
3. You have misrepresented the terms of an insurance contract. Specifically, you misrepresented the advantages and disadvantages of purchasing Athene annuities to Dr. and Mrs. Joe Cloud in 2018. Your actions are a violation of Ark Code Ann. § 23-64-512(a)(5).
4. You have failed to comply with a court order imposing a child support obligation and failed to report to the Insurance Commissioner child support arrears, a civil judgment, and the filing of a contempt action in your most recent insurance producer license renewal application. Your actions are a violation of Ark Code Ann. § 23-64-512(a)(1)&(14).
5. You have failed to respond to a written request of the Commissioner. Specifically, you failed to respond to a written request for information and documents in connection to child support arrears. Your actions are a violation of Ark Code Ann. § 23-64-512(a)(13).

You have the right to represent yourself or be represented by counsel of your own choosing at this proceeding. Additionally, the Commissioner will obtain a competent reporter to record the hearing. You may avail yourself of other privileges, including the Department's assistance to subpoena any needed witnesses or records.

Your verbal or written notification that you have received this notice of hearing must be received in this office within ten (10) days of your receipt. If your notification is not received by the Department within ten (10) days, any and all expenses incurred by the Department in continuing the hearing or in notification of witnesses, including but not limited to, phone calls, issuance of subpoenas and postage, will be charged to the party or parties requesting such continuance. If you or your attorney determines that a continuance is necessary, or you have

questions or concerns, please contact me at (501) 371-2829.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Gray Tu", written in a cursive style.

Gray Allen Turner  
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Arkansas Insurance Division  
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